# GOVERNMENT OF INDIA
# LABOUR
# LOK SABHA

STARRED QUESTION NO:312
ANSWERED ON:11.08.2003
CEILING ON PAYMENT OF BONUS
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**Will the Minister of LABOUR be pleased to state:**

(a) whether there is any proposal under consideration of the Government to enhance the ceiling on the payment of bonus to the workers of organised/unorganised sector;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

## Answer

MINISTER OF LABOUR (SHRI SAHIB SINGH VERMA)

(a) to (c): The Payment of Bonus Act, 1965 provides for payment of bonus to employees of factories and establishments employing 20 or more persons. The proposal regarding amendment to the Act to enhance eligibility limit from Rs.3500/- p.m. to Rs.5000/- p.m. and calculation ceiling from Rs.2500/- p.m. to Rs.3500/- p.m. has been under consideration of the Government. Meanwhile, the Second National Commission on Labour (NCL) has submitted its report recommending suitable enhancement in the ceilings for reckoning entitlement and for calculation of bonus to Rs.7500/- p.m. and Rs.3500/- p.m. respectively.

The issue is being examined afresh in the light of NCL`s recommendations, as the benefits of bonus are required to be extended to the employees of Central & State Governments, Public Sector Undertakings (both Central & State), and other Autonomous Organisations besides Private Sector involving huge financial burden to the Government exchequer. Given the procedures/steps involved and related financial implications, it is not possible at present to specify a definite timeframe for carrying out the amendment to the Act.